THE MADRAS LEGISLATIVE COUNCIL.

Friday, the 4th March 1955.

The House met in the Council Chamber, Fort St. George, at three of the clock, Mr. Chairman (THE HON. DR. P. V. CHERIAN in the Chair.

I.—QUESTIONS AND ANSWERS.

SHORT NOTICE STARRED QUESTIONS.

MR. CHAIRMAN :—" We have received answers to two short notice questions; let us take them up first. Question No. 222-A."

Downward trend in the agricultural prices in this State.

* 222-A *Q.*—SRI T. PURUSHOTHAM : Will the Hon. the Minister for Agriculture be pleased to state—

(*a*) whether the Union Government has been apprised by this Government of the downward trend in the agricultural prices in this State at present; and

(*b*) whether any measure of relief to farmers in view of the present price of rice is under consideration and if so, the details thereof?

THE HON. SRI M. BHAKTAVATSALAM :—" (*a*) The Government of India are aware of the fall in agricultural prices in the country at present. On 17th February 1955 we asked the Government of India as to the steps they proposed to take to avert a serious fall in prices and again on 22nd February 1955 we suggested certain measures to stabilise prices.

" (*b*) The Government of India have stated that although there has been some decline in the price of rice in Madras State, the stage has not been reached when the Government should start making purchases as they propose to do in the case of coarse grains, *viz.*, jowar, bajra and maize during the current khariff, year in order to give relief to cultivators. A fall in prices of paddy during the harvest season now is inevitable and there are already some signs of recovery. The Government are watching the prices and are considering the setting up of a small Ad hoc committee to review the prices every weeks. The Government have also suggested to the Government of India that the Reserve Bank of India should be requested to instruct the banks and co-operatives to issue crop loans liberally so that prices may be stabilised. They have also been asked not to release Civil Supplies buffer stocks except on a replacement basis."

SRI T. PURUSHOTHAM :—" Is it not a fact that the Government of India have announced a price support of Rs. 10 per maund in the case of wheat to safeguard the interests of wheat-growers? Will the Madras Government address the Government of India asking that the same concession may be extended in the case of rice also as a measure of relief? "

[4th March 1955

THE HON. SRI M. BHAKTAVATSALAM :—" Sir, that may be considered when the price of rice also falls below a certain level. I may tell the hon. Member that there has yet been no steep fall in the price of rice."

SRI V. CHAKKARAI CHETTY :—" May I ask why the hon. Minister should feel that the fall in price is a calamity? Is it not good for the consumer? So far as I am concerned, it is a good thing. Because, the consumers will have to pay only a less amount for the rice that they purchase. Especially in the case of those poor people whose income is comparatively low, the fall in prices will benefit them. So, what is the harm if the prices fall?"

THE HON. SRI M. BHAKTAVATSALAM :—" I have just now said that unless the prices fall below the economic level, the Government will not step in. Of course, fall in prices would benefit the consumer. But, I may tell the hon. Member that the producer also must be able to carry on. There is a limit to this fall called the economic level."

DR. V. K. JOHN :—" May I know whether it is not a fact that the main cause for the fall in prices of foodgrains is want of purchasing power in the public and poverty which is now on the increase in the State?"

THE HON. SRI M. BHAKTAVATSALAM :—" Sir, that is the favourite theory of the hon. Deputy Leader of the Opposition. I do not deny that the purchasing power is low. I would like to tell him that this fall is nothing as compared with the very high prices that were prevailing in the days of control and procurement. There are other factors which have contributed to the fall in prices. There is a fall in the World price of rice. This is the harvest season and production has also increased in this State by more than four per cent compared to last year. These are the various factors that have contributed to the fall in prices. Further during the harvest season some of the poor middle class ryots have to meet some urgent demands. For this purpose they have to sell their foodgrains. But, the merchants also form themselves into a ring. On account of urgency and as they are not able to get credit facilities, they are compelled to sell the foodgrains. This is one of the reasons for the fall in prices."

SRI MOHAMED RAZA KHAN :—" Is it not incongruous on the part of the Government to show so much concern over the fall in prices on the one hand and on the other to levy a fresh tax on land?"

THE HON. SRI M. BHAKTAVATSALAM :—" There is nothing incongruous about it, Sir. If the prices fall below the economic level, the Government have to step in and take necessary steps. They may even have to purchase the grains. So, that has nothing to do with our proposal to levy taxes on those who can and should bear the burden."

4th March 1955]

DR. V. K. JOHN :—" May I know whether the Government have released the large quantity of rice, viz., 100,000 tons that they had stocked when decontrol was announced and whether there is any stock yet to be released? "

THE HON. SRI M. BHAKTAVATSALAM :—" Sir, these stocks in the Madras State are being taken over by the Government of India. But mostly they have not been released for sale to the public."

SRI MOHAMED RAZA KHAN :—" Is it not a fact that for a long time these prices of agricultural products were at a very abnormal level? Why should not the Government in fairness allow the consumers to enjoy the benefit of reduced prices now? Why should the Government step in now at this stage to check the fall in prices? "

THE HON. SRI M. BHAKTAVATSALAM :—" Sir, the consumers' point of view is there. I have already said that if prices do not fall below a certain level, it should not cause undue alarm. But at the same time Government have to carefully watch the situation. Already I know very rightly the agriculturists are feeling worried about it. If the prices should fall further—I have been told that a few weeks back it went to Rs. 9–8–0 or Rs. 10 per bag in Tanjore district, because the ryots had to sell their paddy for meeting some of their urgent requirements—that is a situation which we will have to carefully watch and avert."

SRI T. PURUSHOTHAM :—" May I presume that the Government will review the position if there should be further deterioration and will take up the matter with the Union Government for getting price support as has been done in the case of wheat-growers? "

THE HON. SRI M. BHAKTAVATSALAM :—" Sir, we need not be particular about words and phrases like 'price support' and so on. I have already said that Government do purpose to appoint a Committee of Officers who will closely watch the prices week after week. We will take necessary steps either on our own initiative or in consultation with the Government of India."

DR. V. K. JOHN :—" May I know whether there is any idea to sell in this State the stocks of rice handed over to the Government of India and whether a major portion of the stocks is unfit for human consumption? "

THE HON. SRI M. BHAKTAVATSALAM :—" Sir, the hon. Deputy leader of the Opposition need not worry about the quality of the stock that will be released for sale. If the quality is bad, people need not purchase it. There is plenty of rice available in the market. I have already stated that the stocks are being taken over by the Union Government.

I have also said that if these stocks are to be released for sale, there must be corresponding replacement so as not to affect the prices of the agricultural products."

Award of scholarships for technical studies in Great Britain.

* 222-B Q.—DR. A. SREENIVASAN : Will the Hon. the Minister for Agriculture be pleased to state—

(*a*) whether it is a fact that the Director of Industries and Commerce has called for applications for two scholarships of the value of £400 each per annum for technical studies in Great Britain from candidates belonging to the districts of Malabar and South Kanara; and

(*b*) if so, what are the special reasons for restricting the grant of the scholarships to candidates from the above two districts?

THE HON. SRI M. BHAKTAVATSALAM :—" (*a*) At the instance of the Director of Industries and Commerce a notification has been issued by Government inviting applications from candidates belonging to Malabar and South Kanara districts for the award of two scholarships of the value of £400 each per annum for technical studies in United Kingdom.

" (*b*) The scholarship is being awarded from the income accruing from the residuary fund of the estate of the late Mr. M. J. Murphy, I.C.S., placed at the disposal of this Government for the award of scholarships to candidates belonging to Malabar and South Kanara districts only. In restricting the award of scholarships to candidates from the above two districts, the Government are only carrying out the express wishes of the donor."

3-10 p m DR. A. SREENIVASAN :—" May I know the reason why the Director of Industries and Commerce could not furnish this information to the public? "

THE HON. SRI M. BHAKTAVATSALAM :—" If the hon. Member had asked the Director of Industries and Commerce for information, he would have furnished it. There is nothing wrong in the hon. Member asking him and the Director of Industries and Commerce furnishing the information."

DR. A. SREENIVASAN :—" Why should the Government be a party to this type of discriminatory endowments? "

THE HON. SRI M. BHAKTAVATSALAM :—" There is nothing wrong about this kind of gifts and endowments for the benefit of people of particular areas."

DR. V. K. JOHN :—" Will the Government consider the question of giving reasons in advertisements when similar occasions arise so that there may not be any jealousy between the several linguistic areas? "